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C O N F I D E N T I A L ADDIS ABABA 002290

SIPDIS

DEPT FOR AF/RSA EPSTEIN, EAP/CM CARTIN, INR/B

E.O. 12958: DECL: 08/20/2028

TAGS: PGOV PREL ECON ET CH

SUBJECT: ETHIOPIA: "WE'RE FOLLOWING CHINA'S MODEL"

REF: ADDIS ABABA 2234

Classified By: CDA Deborah Malac. Reasons 1.4(b) and (d).

¶1. (C) At a hail and farewell on August 19 for Chinese Economic and Commercial Counselor Liu Yunbiao (reftel) and his replacement, Qian Zhaogang, Ethiopian State Minister for Trade and Industry Tadesse Haile extolled the close and growing commercial relationship between China and Ethiopia and said "We have to sustain high (economic) growth so we can be like China. We're following your (China's) model." Tadesse said that bilateral ties are entering a "mature" phase where both countries will be able to maximize the benefits of the trade relationship. For his part, Qian listed his priorities as facilitating government-to-government communication, working on behalf of Chinese companies, and increasing bilateral trade and investment.

¶2. (C) Emboffs attended the hail and farewell, hosted by new Chinese Ambassador Gu Xiaojie, at the invitation of the Chinese Economic and Commercial Office. Tadesse and ruling Tigrayan People's Liberation Front (TPLF) heavyweight Sehbat Nega were guests of honor. Approximately seventy Chinese diplomats and businessmen attended, along with a smattering of Ethiopian businessmen (no more than ten). Emboffs were the only non-Chinese, non-Ethiopian diplomatic or business representatives. ZTE Corporation, Norinco-Lalibela Engineering and Construction Company, Huawei Technologies Co., Ltd. and China Road and Bridge Construction (CRBC) were among the Chinese firms that turned out for the event. A Huawei employee confirmed that the company is struggling to find its niche (reftel), noting "To be honest, business is not very good. We're kind of at the bottom of the totem pole." A ZTE employee indicated that progress in updating the telephone infrastructure in Ethiopia was progressing at a very slow pace because, the employee said, Ethiopians are "lazy" compared with Chinese workers. The employee also noted that the Ethiopian government is consistently slow to approve ZTE project proposals and other suggestions.

¶3. (C) In a separate conversation (not at the hail and farewell), MFA Chief of Minister's Cabinet told Emboff that the Chinese have contacts with Ethiopian government officials at every level. "There is no one they do not meet," he said, adding, "but they never tell you what they think. Simply, they ask questions and get you to tell them things, then they go and make their decisions." Mid-October, PRC contacts told us they expect a very senior delegation from Beijing may visit Ethiopia in October. Embassy Addis Ababa will continue to track this and other developments and seek ways to build on the good communication enjoyed between the United States

and Chinese missions here in Ethiopia.

Bio Notes: Qian Zhaogang and Zhou Ji

¶4. (C) Qian arrived in Addis Ababa from Chongqing, where he accrued thirty years of expertise in commercial and trade matters. He speaks English confidently. Zhou Ji, a new political officer, also attended the event. Zhou speaks English haltingly but willingly. Zhou graduated from a university in Shandong in 2007 and joined the Ministry of Foreign Affairs in Beijing. He is from Jinan, the capital of Shandong province, and was transferred to Embassy Addis Ababa in mid-2008.

MALAC